

**WOODSTOCK TOWNSHIP
LENAWEE COUNTY, MICHIGAN
ANNUAL FINANCIAL REPORT
MARCH 31, 2006**

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name WOODSTOCK	County LENAWEE
Fiscal Year End MARCH 31, 2006	Opinion Date JUNE 23, 2006	Date Audit Report Submitted to State JULY 11, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☐ ☒ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) PHILIP R RUBLEY, CPA		Telephone Number		
Street Address 133 W MAIN STREET		City MORENCI	State MI	Zip 49256
Authorizing CPA Signature 		Printed Name PHILIP R RUBLEY		License Number 9223

**WOODSTOCK TOWNSHIP
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED MARCH 31, 2006**

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WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

Using This Annual Report

The annual report consists of a series of financial statements. The statement of net assets and the statement of activities are both new and provide information about the activities of Woodstock Township government-wide basis. They are designed to present a longer-term view of the Township's finances. Fund financial statements tell how services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

Overview Of The Financial Statements

The Township's basic financial statements are comprised of three components:

- A) Government-wide financial statements.
- B) Fund financial statements.
- C) Notes to the financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Township maintains 5 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire and ambulance fund and each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Township adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds. The Township maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Township uses enterprise funds to account for its wastewater operations.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

Notes To The Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Township include general government, public safety, public works, health and welfare and community development. The business-type activities of the Township include waste water activities reflected in the utilities fund.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Other Information

The Township has reported under required supplementation information, information about the General Fund and Major Type Funds, and Combining Balance Sheets and Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Type Governmental Funds.

WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

The Township As A Whole

The Township's net assets for the year ended March 31, 2006 decreased by .06% over the prior year, and management feels that even though the economic conditions have been slightly depressed, that the Township is fiscally stable.

The governmental activities reflect net assets of \$231,029 and the business-type (utilities) of \$1,623,671.

By far the largest portion of the Township's net assets (41.80%) reflects its investment in capital assets (e.g. land, buildings, vehicles, equipment and infrastructure), less any related debt used to acquire these assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

WOODSTOCK TOWNSHIP NET ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	<u>2006</u>	<u>2006</u>	<u>2006</u>
<u>Revenue</u>			
Program Revenue:			
Charges for Services	\$ 62,717	\$107,735	\$ 170,452
Operating Grants and Contributions	2,754	---	2,754
Capital Grants and Contributions	---	---	---
General Revenue:			
Property Taxes	398,838	77,602	476,440
Grants and Contributions Not Restricted To Specific Program	199,823	---	199,823
Interest and Rentals Earnings	<u>21,530</u>	<u>13,938</u>	<u>35,468</u>
Total Revenue	<u>685,662</u>	<u>199,275</u>	<u>884,937</u>
<u>Expenses</u>			
General Government	115,988	---	115,988
Public Safety	443,283	---	443,283
Public Works	84,494	---	84,494
Community and Economic Development	11,441	---	11,441
Health and Welfare	14,150	---	14,150
Interest on Long-Term Debt	---	27,255	27,255
Utilities Expenses	---	167,802	167,802
Other Functions	<u>31,951</u>	<u>---</u>	<u>31,951</u>
Total Expenses	<u>701,307</u>	<u>195,057</u>	<u>896,364</u>
Increase (Decrease) In Net Assets	(15,645)	4,218	(11,427)
Net Assets Beginning of Year	<u>961,940</u>	<u>942,773</u>	<u>1,904,713</u>
Net Assets End of Year	<u>\$946,295</u>	<u>\$946,991</u>	<u>\$1,893,286</u>

WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

WOODSTOCK TOWNSHIP NET ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
	<u>2006</u>	<u>2006</u>	<u>2006</u>
Current and Other Assets	\$742,813	\$ 386,665	\$1,129,478
Capital Assets	<u>231,029</u>	<u>1,623,671</u>	<u>1,854,700</u>
Total Assets	<u>\$973,842</u>	<u>\$2,010,336</u>	<u>\$2,984,178</u>
Long-Term Liabilities Outstanding	\$ ---	\$1,063,200	\$1,063,200
Other Liabilities	<u>27,547</u>	<u>145</u>	<u>27,692</u>
Total Liabilities	<u>27,547</u>	<u>1,063,345</u>	<u>1,090,892</u>
<u>Net Assets</u>			
Invested in Capital Assets, Net of Related Debt	231,029	560,471	791,500
Unrestricted	<u>715,266</u>	<u>386,520</u>	<u>1,101,786</u>
Total Net Assets	<u>\$946,295</u>	<u>\$ 946,991</u>	<u>\$1,893,286</u>

Government Activities

Government activities (decreased) the Township's net assets by \$(15,645).

Business-Type Activities

Business-type activities increased the Township's net assets by \$4,218.

The Township's Funds

Our analysis of the Township's funds begins on Page 9, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Trustee Board and management creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages, etc.

WOODSTOCK TOWNSHIP
Management's Discussion and Analysis
March 31, 2006

General Fund Budgetary Highlights

Differences between the original budget and amended budget were insignificant. Actual results in revenue were higher than budgeted, where expenses were closer to budgeted numbers.

Capital Assets And Debt Administration

The Township's investment in capital assets for its governmental and business-type activities as of March 31, 2006, amounted to \$1,854,700 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment.

Long-term debt of the Township decreased by \$54,000 (see Note 7 of the basic financial statements). There was no new debt incurred in the fiscal year ended March 31, 2006.

Economic Factors And Next Year's Budget And Rates

The Township's budget for 2006-2007 fiscal year has taken into consideration, the economic condition of the State of Michigan anticipating reduced state share revenues. This will require close tabs on expenditures for the upcoming year and adjustments will be made to mirror, when possible, the revenue base, with expenses.

Contacting The Townships Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office at 4686 Devils Lake Hwy., Addison, Michigan 49220.

PHILIP R. RUBLEY

- Certified Public Accountant -

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PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'s
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

June 23, 2006

Township Board
Woodstock Township
Lenawee County
Addison, Michigan 49220

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodstock Township as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Woodstock Township, management. Our responsibility is to express opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodstock Township, as of March 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

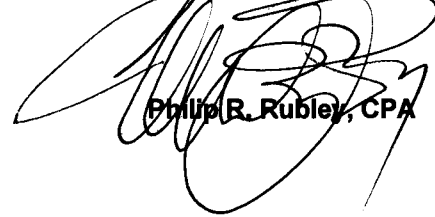
The management's discussion and analysis and budgetary comparison information on pages 1 through 6, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Woodstock Township basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Woodstock Township
June 23, 2006

The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Philip R. Rubley', is written over the printed name.

Philip R. Rubley, CPA

PRR/cab

WOODSTOCK TOWNSHIP
Government-wide Statement of Net Assets
March 31, 2006

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and Equivalents	\$681,881	\$ 352,606	\$1,034,487
Receivables - Net	46,072	23,757	69,829
Prepaid Items and Other Assets	15,110	10,052	25,162
Internal Balances	(250)	250	---
Capital Assets Not Being Depreciated	25,000	---	25,000
Capital Assets Being Depreciated - Net	<u>206,029</u>	<u>1,623,671</u>	<u>1,829,700</u>
Total Assets	<u>\$973,842</u>	<u>\$2,010,336</u>	<u>\$2,984,178</u>
<u>Liabilities</u>			
Accounts Payable and Accrued Expenses	\$ 27,547	\$ 145	\$ 27,692
Long-Term Liabilities:			
Due Within One Year	---	55,200	55,200
Due In More Than One Year	<u>---</u>	<u>1,008,000</u>	<u>1,008,000</u>
Total Liabilities	<u>27,547</u>	<u>1,063,345</u>	<u>1,090,892</u>
<u>Net Assets</u>			
Invested In Capital Assets, Net of Related Debt	231,029	560,471	791,500
Unrestricted	<u>715,266</u>	<u>386,520</u>	<u>1,101,786</u>
Total Net Assets	<u>\$946,295</u>	<u>\$ 946,991</u>	<u>\$1,893,286</u>

WOODSTOCK TOWNSHIP
Government-wide Statement of Activities
For The Year Ended March 31, 2006

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Net (Expenses) Revenues</u>
<u>Primary Government</u>					
<u>Governmental Activities:</u>					
General Government	\$115,988	\$ 8,522	\$ ---	\$ ---	\$ (107,466)
Public Safety	443,283	54,195	2,754	---	(386,334)
Public Works	84,494	---	---	---	(84,494)
Community and Economic Development	11,441	---	---	---	(11,441)
Health and Welfare	14,150	---	---	---	(14,150)
Other Functions	<u>31,951</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(31,951)</u>
Total Governmental Activities	<u>701,307</u>	<u>62,717</u>	<u>2,754</u>	<u>---</u>	<u>(635,836)</u>
<u>Business-Type Activities:</u>					
Utilities	167,802	107,735	---	---	(60,067)
Interest Expense	<u>27,255</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(27,255)</u>
Total Business-Type Activities	<u>195,057</u>	<u>107,735</u>	<u>---</u>	<u>---</u>	<u>(87,322)</u>
Total Government	<u>\$896,364</u>	<u>\$170,452</u>	<u>\$2,754</u>	<u>\$ ---</u>	<u>\$ (723,158)</u>

WOODSTOCK TOWNSHIP
Government-wide Statement Of Activities (Concluded)
For The Year Ended March 31, 2006

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Changes In Net Assets</u>			
Net (Expense) Revenue	\$ (635,836)	\$ (87,322)	\$ (723,158)
General Revenues:			
Property Taxes	398,838	77,602	476,440
Grants and Contributions			
Not Restricted To			
Specific Programs	199,823	---	199,823
Unrestricted Investment			
Earnings and Rentals	<u>21,530</u>	<u>13,938</u>	<u>35,468</u>
Total General Revenues, Contributions and Transfers	<u>620,191</u>	<u>91,540</u>	<u>711,731</u>
Change In Net Assets	(15,645)	4,218	(11,427)
Net Assets, Beginning of Year	<u>961,940</u>	<u>942,773</u>	<u>1,904,713</u>
Net Assets, End of Year	<u>\$ 946,295</u>	<u>\$946,991</u>	<u>\$1,893,286</u>

WOODSTOCK TOWNSHIP
Governmental Funds
Balance Sheet
March 31, 2006

	General Fund	Fire and Ambulance Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Cash				
Equivalents	\$413,499	\$236,506	\$31,876	\$681,881
Prepaid Expenses	10,608	---	---	10,608
Receivables - Net	12,861	31,695	1,516	46,072
Due From Other Funds	<u>4,502</u>	<u>754</u>	<u>94</u>	<u>5,350</u>
Total Assets	<u>\$441,470</u>	<u>\$268,955</u>	<u>\$33,486</u>	<u>\$743,911</u>
<u>LIABILITIES</u>				
Accounts Payable/				
Accrued Liabilities	\$ 12,762	\$ 13,532	\$ 1,253	\$ 27,547
Due to Other Funds	1,098	---	---	1,098
Deferred Revenue	<u>1,264</u>	<u>3,511</u>	<u>---</u>	<u>4,775</u>
Total Liabilities	<u>15,124</u>	<u>17,043</u>	<u>1,253</u>	<u>33,420</u>
<u>FUND BALANCES</u>				
Unreserved	<u>426,346</u>	<u>251,912</u>	<u>32,233</u>	<u>710,491</u>
Total Fund Balances	<u>426,346</u>	<u>251,912</u>	<u>32,233</u>	<u>710,491</u>
Total Liabilities and Fund Balances	<u>\$441,470</u>	<u>\$268,955</u>	<u>\$33,486</u>	<u>\$743,911</u>

WOODSTOCK TOWNSHIP
Reconciliation of Fund Balances On The Balance Sheet For Governmental Funds
To Net Assets Of Governmental Activities On The Statement of Net Assets
March 31, 2006

Fund Balances – Total Governmental Funds \$710,491

Amounts reported for governmental activities in the statement
of net assets are different because:

Capital assets used in governmental activities are not
financial resources and therefore are not reported in
the funds.

Add: Capital Assets 329,001

Deduct: Accumulated Depreciation (97,972)

Revenue that has been billed as a receivable, but not collected
until later years, was not reported in the funds.

Add: Deferred Revenue 4,775

Net Assets of Governmental Activities \$946,295

WOODSTOCK TOWNSHIP
Governmental Funds
Statement of Revenue, Expenditures, and Changes In Fund Balances
For The Year Ended March 31, 2006

	General Fund	Fire and Ambulance Fund	Other Non-Major Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes and Assessments	\$112,097	\$269,323	\$16,540	\$397,960
Intergovernmental	199,823	---	2,254	202,077
Grants	500	---	---	500
Licenses and Permits	42,652	---	---	42,652
Fines and Forfeitures	11,543	---	---	11,543
Charges for Services	4,431	---	---	4,431
Interest and Rentals	15,623	5,471	436	21,530
Other	4,091	---	---	4,091
Total Revenue	<u>390,760</u>	<u>274,794</u>	<u>19,230</u>	<u>684,784</u>
<u>EXPENDITURES</u>				
Current:				
General Government	109,504	---	---	109,504
Public Safety	102,095	331,748	---	433,843
Public Works	67,769	---	16,725	84,494
Community Economic Development	11,441	---	---	11,441
Health and Welfare	14,150	---	---	14,150
Capital Outlay	1,648	---	---	1,648
Other Functions	31,951	---	---	31,951
Total Expenditures	<u>338,558</u>	<u>331,748</u>	<u>16,725</u>	<u>687,031</u>
Excess of Revenue Over (Under) Expenditures	52,202	(56,954)	2,505	(2,247)
Other Financing Sources (Uses)				
Transfers In	52	---	---	52
Transfers Out	---	---	(52)	(52)
Total Other Financing Sources (Uses)	<u>52</u>	<u>---</u>	<u>(52)</u>	<u>---</u>
Net Change In Fund Balances	52,254	(56,954)	2,453	(2,247)
Fund Balances – Beginning of Year	<u>374,092</u>	<u>308,866</u>	<u>29,780</u>	<u>712,738</u>
Fund Balances – End of Year	<u>\$426,346</u>	<u>\$251,912</u>	<u>\$32,233</u>	<u>\$710,491</u>

The notes to financial statements are an integral part of this statement.

WOODSTOCK TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures,
And Changes In Fund Balances Of Governmental Statement Of Activities
March 31, 2006

Net Change In Fund Balances – Total Governmental Funds

\$ (2,247)

Amounts reported for governmental activities in the statement
of activities are different because:

Governmental funds report capital outlays as expenditures.
However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Add: Capital Outlay

Deduct: Depreciation Expense

(14,276)

Revenue deferred on the governmental funds report, which has
been charged to receivable and thus income on the statement
of activities

878

Change In Net Assets Of Governmental Activities

\$ (15,645)

WOODSTOCK TOWNSHIP
Statement of Net Assets
Proprietary Funds
March 31, 2006

	Business-Type Activities - Enterprise Funds
	<u>Utilities Fund</u>
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 352,606
Due From Other Funds	250
Accounts Receivable	23,757
Current Portion of Long Term Contract	<u>829</u>
Total Current Assets	<u>377,442</u>
Noncurrent Assets:	
Property and Equipment - Net	1,623,671
Long Term Portion of Long Term Contract	<u>9,223</u>
Total Noncurrent Assets	<u>1,632,894</u>
Total Assets	<u>\$2,010,336</u>
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	\$ 145
Bonds Payable, Current Portion	<u>55,200</u>
Total Current Liabilities	<u>55,345</u>
Noncurrent Liabilities:	
Bonds Payable	<u>1,008,000</u>
Total Noncurrent Liabilities	<u>1,008,000</u>
Total Liabilities	<u>1,063,345</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	560,471
Unrestricted	<u>386,520</u>
Total Net Assets	<u>946,991</u>
Net Assets of Business-Type Activities on the Government-Wide Statement of Net Assets	<u>\$2,010,336</u>

The accompanying notes are an integral part of this financial statement.

WOODSTOCK TOWNSHIP
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For The Year Ended March 31, 2006

	Business-Type Activities - Enterprise Funds
	<u>Utilities Fund</u>
Operating Revenues	
Charges for Services	<u>\$107,735</u>
Expenses	
Salaries and Wages	1,979
Fringe Benefits	50
Office Expenses	74
Contractual Services	77,016
Depreciation	<u>88,683</u>
Total Operating Expenses	<u>167,802</u>
Operating Income (Loss)	<u>(60,067)</u>
Non-Operating Revenues (Expenses)	
Investment Income	6,639
Interest Income and Penalties	7,299
Interest Expense	(27,255)
Debt Service	<u>77,602</u>
Total Non-Operating Revenues (Expenses)	<u>64,285</u>
Income	4,218
Net Assets, Beginning of Year	<u>942,773</u>
Net Assets, End of Year	<u>\$946,991</u>

WOODSTOCK TOWNSHIP
Reconciliation Of The Statement Of Revenues, Expenditures, To The Statement Of Activities
March 31, 2006

Change In Net Assets – All Enterprise Funds	\$4,218
No additional adjustments	<u>---</u>
Change In Net Assets Of Business-Type Activities	<u><u>\$4,218</u></u>

WOODSTOCK TOWNSHIP
Statement of Cash Flows
Proprietary Funds
For The Year Ended March 31, 2006

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Utilities Fund</u>
Cash Flows From Operating Activities	
Cash Received from Customers	\$110,183
Cash Payment to Suppliers For Goods and Services/Employees	<u>(79,053)</u>
Net Cash Provided (Used)	<u>31,130</u>
 Cash Flows From Capital and Related Financing Activities	
Debt Retirement	77,602
Bond Principal Payments	(54,000)
Bond Interest Payments	<u>(27,255)</u>
Net Cash (Used) by Capital and Related Financing Activities)	<u>(3,653)</u>
 Cash Flows From Investing Activities	
Investment Income and Penalties	13,938
Payment Received on Long Term Contract	<u>782</u>
Net Cash Provided (Used) by Investing Activities	<u>14,720</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 42,197
 Cash and Cash Equivalents, Beginning of Year	 <u>310,409</u>
 Cash and Cash Equivalents, End of Year	 <u>\$352,606</u>
 Reconciliation to Statement of Net Assets	
Cash and Cash Equivalents	<u>\$352,606</u>

The accompanying notes are an integral part of this financial statement.

WOODSTOCK TOWNSHIP
Statement of Cash Flows (Concluded)
Proprietary Funds
For The Year Ended March 31, 2006

	Business-Type Activities - Enterprise Funds
	<u>Utilities Fund</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income	\$ 4,218
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	88,683
Changes in Assets and Liabilities:	
Accounts Receivable	2,448
Accounts Payable, Accrued Liabilities, Bonds Current Portion	1,266
Other Assets	<u>(47)</u>
Net Cash Provided (Used) by Operating Activities	<u>96,568</u>
Cash Flows from Capital Activities:	
Acquisition of Capital Assets	<u>---</u>
Net Cash (Used) from Capital Activities	<u>---</u>
Cash Flows From Financing Activities:	
Principal Paid on Bonds	(55,200)
Principal Received on Long-Term Contract	<u>829</u>
Net Cash (Used) from Financing Activities	<u>(54,371)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	42,197
Cash and Cash Equivalents, Beginning of Year	<u>310,409</u>
Cash and Cash Equivalents, End of Year	<u>\$ 352,606</u>

The accompanying notes are an integral part of this financial statement.

WOODSTOCK TOWNSHIP
Fiduciary Funds – Statement of Net Assets
March 31, 2006

	Current Tax Collection <u>Fund</u>	Trust and Agency <u>Fund</u>
<u>Assets</u>		
Cash and Cash Equivalents	<u>\$4,059</u>	<u>\$24,090</u>
Total Assets	<u><u>\$4,059</u></u>	<u><u>\$24,090</u></u>
<u>Liabilities</u>		
Due to Other Funds	\$4,059	\$ 443
Due to Other Authorities	<u>---</u>	<u>23,647</u>
Total Liabilities	<u><u>\$4,059</u></u>	<u><u>\$24,090</u></u>

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Woodstock Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. Reporting Entity

Woodstock Township is governed by an elected board. The accompanying financial statements present the government for which government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

Property taxes, franchise taxes, intergovernmental revenue licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire and Ambulance Fund is a special Revenue Fund that receives monies for contractual services and charges for the purpose of providing fire protection and Advanced and Basic Life Support Services to the community.

The government reports the following major proprietary funds:

The Utilities Fund accounts for acquisition, operation and maintenance of the Township's waste water system.

Additionally, the government reports the following fund types:

The Agency Funds account for assets held by the Township acting as an agent for individuals, private organizations, other governments and/or other funds.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected not to follow private-sector standards issued after November 30, 1989 for its business-type activities and enterprise funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utilities Funds are charges to customers for sales and services. The Utilities Funds are also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, Liabilities, and Net Assets or Equity

1. **Bank Deposits and Investment** – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions, and savings and loans associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

2. **Receivables and Payables** – In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

3. **Prepaid Items** – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. **Inventories** – All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

5. **Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., road, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20 - 50
Building	10 - 50
Machinery, Equipment, And Furnishings	5 - 35
Utility Systems	50 - 100
Infrastructure	15 - 100
Vehicles	5 - 15

Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

6. **Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. **Budgetary Information** - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

On or before the end of March of each year, the Township Board proposes a budget for review and holds public hearings and a final budget is adopted.

The appropriated budget is prepared by fund, function and activity. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is with the Board of Trustees.

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

B. Excess of Expenditures Over Appropriations In Budgeted Funds - P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amounts appropriated. During the year ended March 31, 2006, the government incurred expenditures in excess of amounts appropriated at the legal level of budgetary control as follows:

	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
General Government:			
Assessing	\$30,550	\$30,910	\$360

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

NOTE 3 – DEPOSITS AND INVESTMENTS

The government unit's deposits and investment policy are in accordance with statutory authority.

Investments made by the Township are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1: Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.

Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

	<u>Category</u> <u>1</u>	<u>2</u>	<u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Checking, Savings and Certificate of Deposits	<u>\$117,953</u>	<u>\$944,683</u>	<u>\$ ---</u>	<u>\$1,062,636</u>	<u>\$1,062,636</u>
	<u>\$117,953</u>	<u>\$944,683</u>	<u>\$ ---</u>	<u>\$1,062,636</u>	<u>\$1,062,636</u>

Balance Sheet Cash And Cash Investments

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosures for the Township's deposits are as follows:

<u>Deposits</u>	<u>Carrying</u> <u>Amount</u>
Insured (FDIC) (FSLIC)	\$ 117,953
Uninsured:	
Uncollateralized	<u>944,683</u>
Total	<u>\$1,062,636</u>

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2006 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 25,000	\$ ---	\$ ---	\$ 25,000
	<u>25,000</u>	<u>---</u>	<u>---</u>	<u>25,000</u>
Capital Assets, Being Depreciated:				
Buildings	224,856	---	---	224,856
Vehicles	29,459	---	---	29,459
Equipment	<u>49,686</u>	<u>---</u>	<u>---</u>	<u>49,686</u>
Total Capital Assets Being Depreciated	<u>304,001</u>	<u>---</u>	<u>---</u>	<u>304,001</u>
Less Accumulated Depreciation For:				
Buildings	(34,383)	(4,437)	---	(38,820)
Vehicles	(22,095)	(7,364)	---	(29,459)
Equipment	<u>(27,218)</u>	<u>(2,475)</u>	<u>---</u>	<u>(29,693)</u>
Total Accumulated Depreciation	<u>(83,696)</u>	<u>(14,276)</u>	<u>---</u>	<u>(97,972)</u>
Total Capital Assets, Being Depreciated, Net	<u>220,305</u>	<u>(14,276)</u>	<u>---</u>	<u>206,029</u>
Governmental Activities Capital Assets, Net	<u>\$ 245,305</u>	<u>\$ (14,276)</u>	<u>\$ ---</u>	<u>\$ 231,029</u>
<u>Business-Type Activities</u>				
Capital Assets, Being Depreciated:				
Buildings and Systems	\$ 3,496,099	\$ ---	\$ ---	\$ 3,496,099
Equipment	<u>1,200</u>	<u>---</u>	<u>---</u>	<u>1,200</u>
Total Capital Assets Being Depreciated	<u>3,497,299</u>	<u>---</u>	<u>---</u>	<u>3,497,299</u>
Less Accumulated Depreciation For:				
Buildings	(1,783,745)	(88,683)	---	(1,872,428)
Equipment	<u>(1,200)</u>	<u>---</u>	<u>---</u>	<u>(1,200)</u>
Total Accumulated Depreciation	<u>(1,784,945)</u>	<u>(88,683)</u>	<u>---</u>	<u>(1,873,628)</u>
Total Capital Assets, Being Depreciated, Net	<u>1,712,354</u>	<u>(88,683)</u>	<u>---</u>	<u>1,623,671</u>
Business Type Activities Capital Assets, Net	<u>\$ 1,712,354</u>	<u>\$ (88,683)</u>	<u>\$ ---</u>	<u>\$ 1,623,671</u>

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

Depreciation expense was charged to functions/programs of the Township as follows:

Governmental Activities:

General Government	\$ 6,484
Public Safety	<u>7,792</u>

Total Depreciation Expense Governmental Activities	<u>\$14,276</u>
---	------------------------

Business-Type Activities:

Utilities	<u>\$88,683</u>
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Total Depreciation Expense Business-Type Activities	<u>\$88,683</u>
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NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

At March 31, 2006, the following were interfund receivables and payables in the fund statement.

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$4,502	\$1,098
Fire and Ambulance	754	---
Street Light	94	---
Utilities	250	---
Other Agency Funds	<u>---</u>	<u>4,502</u>
	<u>\$5,600</u>	<u>\$5,600</u>

WOODSTOCK TOWNSHIP
Notes to Financial Statements
March 31, 2006

NOTE 6 – PROPERTY TAXES:

The Township bills and collects property taxes and also taxes for the County and several School Districts within its jurisdiction. Collections and remittances of the County and School taxes are accounted for in the Current Tax Collection Agency Fund. Township property tax revenues are recognized as revenues in the fiscal year levied to the extent that they result in current receivables.

The Township currently levies 2.6702 mills. Property taxes attach as an enforceable lien on the property as of January 1.

NOTE 7 – LONG TERM DEBT – SEWER FUND (BUSINESS TYPE ACTIVITIES)

During the fiscal year, on September 26, 2002 the Rollin-Woodstock Sanitary Drain bonds were refinanced. The revised bond issue amount was \$5,080,000, with Woodstock's share being 24% or \$1,219,200.

Bonds Payable - March 31, 2006	\$1,063,200
Less: Current Portion	<u>55,200</u>
Total Long Term Portion	<u>\$1,008,000</u>

Debt Service requirements over the next five years are as follows:

	<u>Principal</u>	<u>Interest</u>
October 1, 2006	\$ 55,200	\$ 26,580
October 1, 2007	56,400	25,200
October 1, 2008	57,600	23,790
October 1, 2009	58,800	22,350
October 1, 2010	60,000	20,880
Thereafter	<u>775,200</u>	<u>121,020</u>
Total	<u>\$1,063,200</u>	<u>\$239,820</u>

NOTE 8 – OTHER INFORMATION

Risk Management

The government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended March 31, 2006, the government carried insurance through various commercial carriers, to cover all risks of losses. The government has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

WOODSTOCK TOWNSHIP
Budgetary Comparison Schedule
General Fund
For The Year Ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<u>Beginning of Year Fund Balance</u>				
Resources (Inflows)	\$200,000	\$200,000	\$374,092	\$174,092
Taxes and Assessments	110,863	110,863	112,097	1,234
Intergovernmental	142,000	142,000	199,823	57,823
Grants	500	500	500	---
Licenses and Permits	40,500	40,500	42,652	2,152
Fines and Forfeitures	5,000	5,000	11,543	6,543
Charges for Services	500	500	4,431	3,931
Interest and Rentals	8,000	8,000	15,675	7,675
Other	10,000	10,000	4,091	(5,909)
 Amounts Available for Appropriation	 <u>517,363</u>	 <u>517,363</u>	 <u>764,904</u>	 <u>247,541</u>
 <u>Charges to Appropriations (Outflows)</u>				
General Government				
Trustee Board	7,700	7,700	7,163	537
Township Supervisor	11,050	11,050	10,154	896
Treasurer	18,000	18,000	17,620	380
Assessing	30,550	30,550	30,910	(360)
Clerk	16,500	16,500	15,138	1,362
Elections	5,000	5,000	---	5,000
Attorney and Auditing	14,000	14,000	8,856	5,144
Buildings and Grounds	12,000	12,000	11,154	846
Cemetery	13,000	13,000	8,081	4,919
Board of Review	1,000	1,000	428	572
 Public Safety				
Police	80,000	80,000	77,090	2,910
Inspections	29,275	29,275	24,405	4,870
Fire Board	600	600	600	---
 Community Economic Development				
Planning and Zoning	12,100	12,100	11,441	659
 Public Works				
Road and Maintenance	100,000	100,000	67,769	32,231
 Health and Welfare				
Hospital	20,600	20,600	14,150	6,450
 Capital Outlay	 2,000	 2,000	 1,648	 352
 Other Functions	 <u>91,888</u>	 <u>91,888</u>	 <u>31,951</u>	 <u>59,937</u>
 Total Charges to Appropriations	 <u>465,263</u>	 <u>465,263</u>	 <u>338,558</u>	 <u>126,705</u>
 Ending of Year Fund Balance	 <u>\$ 52,100</u>	 <u>\$ 52,100</u>	 <u>\$426,346</u>	 <u>\$374,246</u>

WOODSTOCK TOWNSHIP
Budgetary Comparison Schedule
Fire and Ambulance Fund (Major Special Revenue Funds)
For The Year Ended March 31, 2006

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
<u>Beginning of Year Fund Balance</u>	\$ ---	\$ ---	\$308,866	\$308,866
<u>Resources (Inflows)</u>				
Taxes	225,500	225,500	269,323	43,823
Other	---	---	5,471	5,471
<u>Amounts Available for Appropriation</u>	<u>225,500</u>	<u>225,500</u>	<u>583,660</u>	<u>358,160</u>
<u>Charges to Appropriations (Outflows)</u>				
<u>Public Safety</u>				
Fire and Ambulance Expense	<u>225,500</u>	<u>225,500</u>	<u>331,748</u>	<u>106,248</u>
<u>Total Charges to Appropriations</u>	<u>225,500</u>	<u>225,500</u>	<u>331,748</u>	<u>106,248</u>
<u>Ending of Year Fund Balance</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$251,912</u>	<u>\$251,912</u>

WOODSTOCK TOWNSHIP
Combining Balance Sheet
Non-Major Governmental Funds
March 31, 2006

	<u>Special Revenue Funds</u>		<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Street Lighting</u>	<u>Liquor Law Enforcement</u>	<u>Cemetery Endowment</u>	
<u>Assets</u>				
Cash	\$30,876	\$ ---	\$1,000	\$31,876
Receivables:				
Accounts	1,480	---	---	1,480
Interest	---	---	36	36
Due from Other Funds	94	---	---	94
Prepaid Expenses	---	---	---	---
Total Assets	<u>\$32,450</u>	<u>\$ ---</u>	<u>\$1,036</u>	<u>\$33,486</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities</u>				
Accounts Payable	\$ 1,253	\$ ---	\$ ---	\$ 1,253
Deposits Payable	---	---	---	---
Accrued Liabilities	---	---	---	---
Due to Other Funds	---	---	---	---
Deferred Revenues	---	---	---	---
Total Liabilities	<u>1,253</u>	<u>---</u>	<u>---</u>	<u>1,253</u>
<u>Fund Balance</u>	<u>31,197</u>	<u>---</u>	<u>1,036</u>	<u>32,233</u>
Total Liabilities And Fund Balances	<u>\$32,450</u>	<u>\$ ---</u>	<u>\$1,036</u>	<u>\$33,486</u>

WOODSTOCK TOWNSHIP
Combining Statement of Revenues, Expenditures and Changes In Fund Balance
Non-Major Governmental Funds
For The Year Ended March 31, 2006

	<u>Special Revenue Funds</u>		<u>Permanent Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Street Lighting</u>	<u>Liquor Law Enforcement</u>	<u>Cemetery Endowment</u>	
<u>Revenues:</u>				
Taxes	\$16,540	\$ ---	\$ ---	\$16,540
Intergovernmental	---	2,254	---	2,254
Contribution from Local Units	---	---	---	---
Charges for Services	---	---	---	---
Fines and Forfeits	---	---	---	---
Interest and Rents	397	---	39	436
Other Revenue	---	---	---	---
Total Revenue	<u>16,937</u>	<u>2,254</u>	<u>39</u>	<u>19,230</u>
<u>Expenditures:</u>				
General Government	---	---	---	---
Public Safety	---	---	---	---
Public Works	14,471	2,254	---	16,725
Recreational and Cultural	---	---	---	---
Community Economic Development	---	---	---	---
Capital Outlay	---	---	---	---
Debt Service:				
Principal	---	---	---	---
Interest	---	---	---	---
Total Expenditures	<u>14,471</u>	<u>2,254</u>	<u>---</u>	<u>16,725</u>
<u>Excess of Revenues Over</u>				
<u>(Under) Expenditures</u>	<u>2,466</u>	<u>---</u>	<u>39</u>	<u>2,505</u>
<u>Other Financing Sources</u>				
<u>(Uses):</u>				
Operating Transfers In	---	---	---	---
Operating Transfers (Out)	---	---	(52)	(52)
Total Other Financing Sources (Uses)	<u>---</u>	<u>---</u>	<u>(52)</u>	<u>(52)</u>
<u>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</u>	<u>2,466</u>	<u>---</u>	<u>(13)</u>	<u>2,453</u>
<u>Beginning Fund Balance</u>	<u>28,731</u>	<u>---</u>	<u>1,049</u>	<u>29,780</u>
<u>Ending Fund Balance</u>	<u>\$31,197</u>	<u>\$ ---</u>	<u>\$1,036</u>	<u>\$32,233</u>

The notes to financial statements are an integral part of this statement.

PHILIP R. RUBLEY

- Certified Public Accountant -

133 W. MAIN STREET • MORENCI, MI 49256

PHONE 517/458-2274

FAX 517/458-6353

PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'s
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

June 23, 2006

**Township Board
Woodstock Township
Lenawee County
Addison, Michigan 49220**

We have examined the combined financial statements of the Woodstock Township and the combining, individual fund and account group financial statements of the Township as of and for the year ended March 31, 2006 and have issued our report thereon dated June 23, 2006. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statement and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2006, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

1. CEMETERY ENDOWMENT FUND

Need to change fund number to 155, in compliance with permanent fund numbers with the uniform chart of accounts.

2. **FIXED ASSETS - CAPITAL**

It will be necessary for the Township to establish and maintain records for acquisition and disposal of the Township's depreciation threshold of \$1500.

3. **POLICE DEPARTMENT**

The Township needs to set policies and procedures including a police contract to properly supervise and account for police activity and compensation packages.

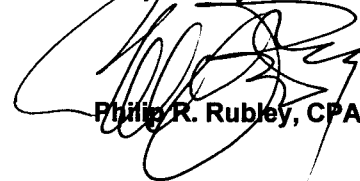
4. **BUILDING PERMITS**

Our test work noted that there is considerable number of open files applicable to building permits. Some of the files do not show documentation of inspections and or violations. Occupancy permits when applicable are still in the files.

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our examination of the financial statements, and this report does not modify our report dated June 23, 2006, on such financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Respectfully Submitted,



Philip R. Rubley, CPA

WOODSTOCK TOWNSHIP

6486 Devils Lake Hwy. Addison, Michigan 49220

RECEIVED
DEPT. OF TREASURY

JUL 18 2006
7/14

LOCAL AUDIT & FINANCE DIV.

June 23, 2006

Philip R. Rubley, CPA
133 W. Main St.
Morenci, MI 49256

We are providing this letter in connection with your audit(s) of the financial statements of Woodstock Township as of March 31, 2006 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Woodstock Township and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 23, 2006 the following representations made to you during your audit(s).

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all -
 - a. Financial records and related data (and all audit or relevant monitoring reports, if any, received from funding sources).
 - b. Minutes of the meetings of Woodstock Township or summaries of actions of recent meetings for which minutes have not yet been prepared.

Philip R. Rubley, CPA

June 23, 2006

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3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. The Woodstock Township has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
10. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

- a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the Woodstock Township is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
11. We are responsible for compliance with the laws, regulations, and provisions of contracts and agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
12. There are no -
- a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budget(s), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5 *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.

- d. Reservations or designation of fund equity that were not properly authorized and approved.
- 13. The Woodstock Township has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 14. The Woodstock Township has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 15. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 16. The financial statements properly classify all funds and activities.
- 17. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 18. Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- 19. Provisions for uncollectible receivables have been properly identified and recorded.
- 20. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 21. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

Philip R. Rubley, CPA
June 23, 2006
Page 5

22. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
23. Special and extraordinary items are appropriately classified and reported.
24. Deposits and investment securities are properly classified in category of custodial credit risk.
25. Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
26. The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach (omit this items if the modified approach is not used).

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements (or in the schedule of findings and questioned costs).

Signed: _____

Title: _____

Date: _____

Signed: Molly Mupell

Title: Clerk

Date: 7-13-06